Financial Report with
Supplemental Information
March 31, 2008

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Independent Auditor's Report

To the Members of the Commission Romeo, Washington, Bruce Parks and Recreation Commission

We have audited the accompanying basic financial statements of Romeo, Washington, Bruce Parks and Recreation Commission as of March 31, 2008 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of Romeo, Washington, Bruce Parks and Recreation Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Romeo, Washington, Bruce Parks and Recreation Commission as of March 31, 2008 and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison schedule, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Plante & Moran, PLLC





Management's Discussion and Analysis

Our discussion and analysis of Romeo, Washington, Bruce Parks and Recreation Commission's financial performance provides an overview of the Commission's financial activities for the fiscal year ended March 31, 2008. Please read it in conjunction with the Commission's financial statements.

The Commission's financial statements are presented on both the modified accrual basis and the government-wide basis, in accordance with Governmental Accounting Standards Board Statement No. 34. The modified accrual basis presents a short-term view: it tells us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. The government-wide statements present a longer-term view of the Commission's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing the Commission's services.

To remain consistent with Governmental Accounting Standards Board Statement No. 34, the management's discussion and analysis report includes comparative data from the prior year within the financial sections below.

Romeo, Washington, Bruce Parks and Recreation Commission as a Whole

The following table shows, in condensed format, the net assets as of March 31, 2008 and 2007 and statement of activities for the years ended March 31, 2008 and 2007 (amounts in thousands):

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1 4	ы		_
	_	_	_

	 2008	 2007
Assets		
Current assets	\$ 1,135	\$ 1,188
Noncurrent assets	 1,124	 1,108
Total assets	2,259	2,296
Current Liabilities	 173	 279
Net Assets		
Invested in capital assets	1,124	1,108
Unrestricted	 962	 909
Total net assets	\$ 2,086	\$ 2,017

Management's Discussion and Analysis (Continued)

TABLE I (Continued)		2000	2007
		2008	2007
Revenue			
Property taxes	\$	1,231	1,096
Program fees		781	761
Other		99	253
Total revenue		2,111	2,110
Expenses		2,042	1,902
Change in Net Assets	<u>\$</u>	69	\$ 208

The Commission's current year increase in net assets was \$69,000. Prior year's change in net assets was approximately \$208,000; the significant difference from the prior year to the current year is due in large part to the significant CDBG grant revenue received in the prior year.

Overall program revenue increased, but not as much as expenditures increased, causing an overall net decrease for programs. The increase in expenditures is due to increased senior travel programs, the increase in the minimum wage, expenses for the new fitness center, and parks maintenance expenses.

Non-program revenue increased due to increased municipal contributions (tax collections) due to the inflationary increases in the assessed property values in the communities and the fact that in the prior year a large property tax refund was recorded against property tax income.

As discussed above, the main increase in revenue related to the additional interest, program, and grant revenue. Overall, expenses increased in comparison to prior year due to an increase in capital development, higher program costs, and facility maintenance and improvement.

General Fund Budgetary Highlights

Over the course of the year, the budget was exceeded by I percent, which resulted from unanticipated, necessary expenditures. Budget amendments for these added expenses were approved by the Commission. Overall, the General Fund's fund balance is approximately \$1,004,000 as of March 31, 2008.

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

The Commission's budget for next year will be influenced by several factors. First, there will be additional maintenance costs due to the addition of the fitness center and equipment. Second, CDBG funding for the CHORE program has been decreasing over the past few years. To offset this decrease in funding, the Commission has implemented fund-raising programs and a pay-for-service plan scaled to income levels of service recipients. Third, insurance rates for liability, vehicle, and workers' compensation insurance continue to increase. Finally, the expected increase in facility usage will result in the need for capital improvements and additional maintenance expenses. The Commission will strive to maintain a budget that works for all concerned and will concentrate efforts on meeting the budget.

Contacting the Commission's Management

This financial report is intended to provide our citizens, customers, and investors with a general overview of Romeo, Washington, Bruce Parks and Recreation Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact Romeo, Washington, Bruce Parks and Recreation Commission's office.

Governmental Fund Balance Sheet - Statement of Net Assets March 31, 2008

		lance Sheet - dified Accrual	djustments (Note 2)	ement of Net Assets - Full Accrual
Assets				
Cash and cash equivalents (Note 3)	\$	823,715	\$ -	\$ 823,715
Due from other governmental units		288,746	-	288,746
Prepaid expenses		22,724	-	22,724
Capital assets - Net (Note 4)			 1,123,941	 1,123,941
Total assets	<u>\$</u>	1,135,185	1,123,941	2,259,126
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$	17,280	-	17,280
Accrued liabilities		67,994	-	67,994
Due to other governmental units		7,956	-	7,956
Deferred revenue		37,571	-	37,571
Compensated absences (Note 1)			 42,644	 42,644
Total liabilities		130,801	42,644	 173,445
Fund Balance - Unreserved and undesignated		1,004,384	 (1,004,384)	
Total liabilities and fund balance	<u>\$</u>	1,135,185		
Net Assets				
Invested in capital assets			1,123,941	1,123,941
Unrestricted			 961,740	 961,740
Total net assets			\$ 2,085,681	\$ 2,085,681

Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balance - Statement of Activities Year Ended March 31, 2008

	Re	evenues and			St	tatement of
	Ex	penditures -	Α	djustments	Ac	tivities - Full
	Mod	dified Accrual		(Note 2)		Accrual
Revenue		_				_
Property taxes	\$	1,231,033	\$	-	\$	1,231,033
Program fees		781,153		-		781,153
Federal sources		241,960		(175,651)		66,309
Interest		23,031		-		23,031
Other		9,362				9,362
Total revenue		2,286,539		(175,651)		2,110,888
Expenditures						
Administrative salaries		274,156		-		274,156
Administrative benefits		142,089		-		142,089
General and administrative		127,969		2,041		130,010
Community improvement and development		543,445		(110,090)		433,355
Program		917,368		-		917,368
Federal		50,987		-		50,987
Depreciation		<u>-</u>		94,018		94,018
Total expenditures		2,056,014		(14,031)	_	2,041,983
Change in Fund Balance/Net Assets		230,525		(161,620)		68,905
Fund Balance/Net Assets						
Beginning of year		773,859		1,242,917		2,016,776
End of year	\$	1,004,384	\$	1,081,297	\$	2,085,681

Notes to Financial Statements March 31, 2008

Note I - Summary of Significant Accounting Policies

The accounting policies of Romeo, Washington, Bruce Parks and Recreation Commission (the "Commission") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies used by the Commission.

Reporting Entity

The Commission was organized by Washington and Bruce Townships by a joint resolution and the articles of incorporation were adopted in 1971 and subsequently amended March 26, 1986. The Commission was organized to promote, plan, coordinate, and operate a system of indoor and outdoor public recreation programs and facilities for all residents of those areas encompassed by the boundaries of the townships of Bruce and Washington and the Romeo School District. The Commission is governed by a two-member board with one representative from each township and one alternate member from each township. The Commission is not considered to be a component unit of the townships of Bruce and Washington or the Romeo School District.

The accompanying basic financial statements have been prepared in accordance with criteria established by the Government Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. Based on these criteria, there are no component units of the Commission that are to be included in the reporting entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Commission's basic financial statements include both the Commission's full accrual financial statements and modified accrual financial statements.

Full Accrual Financial Statements

The full accrual financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, charges for services, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statement of net assets includes and recognizes all long-term assets and liabilities.

Notes to Financial Statements March 31, 2008

Note I - Summary of Significant Accounting Policies (Continued)

Modified Accrual Financial Statements

The modified accrual financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Interest earned on cash deposits is recorded on the accrual basis.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in the government-wide statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Commission has elected not to follow private sector standards issued after November 30, 1989 for its full accrual presentation.

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Capital Assets - Capital assets, which include building and building improvements, land improvements, machinery, equipment and vehicles, and office equipment, are reported in the statement of net assets. Capital assets are defined by the Commission as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Notes to Financial Statements March 31, 2008

Note I - Summary of Significant Accounting Policies (Continued)

Capital assets are depreciated using the straight-line method over the following useful lives:

Building and building improvements	5 to 25 years
Land improvements	3 to 30 years
Machinery, equipment, and vehicles	5 to 30 years
Office equipment	2 to 15 years

Compensated Absences - It is the Commission's policy to permit full-time employees to accumulate earned but unused sick and vacation pay benefits. All compensated absence pay is accrued when incurred in the full accrual financial statements. A liability for these amounts is reported in the modified accrual financial statements only for employee terminations as of year end.

Deferred Revenue - Modified accrual basis financial statements report deferred revenue in connection with revenue that is unavailable for modified accrual purposes. Both the modified and full accrual statements report deferred revenue in connection with revenue that has not been earned since it relates to advance collection of program fees for programs that will be provided subsequent to the end of the current fiscal year.

Property Taxes - Property taxes are levied on each December I on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March I of the following year, at which time penalties and interest are assessed.

The Commission receives property taxes levied by the member townships, Washington and Bruce. The 2007 taxable value of all the property subject to the Commission's millage is \$1,275 million and \$524 million for Washington Township and Bruce Township, respectively, on which taxes levied consisted of total mills of .6418 and .7389, respectively, all of which were for operating purposes. This resulted in approximately \$1,231,000 for operations. This amount is recognized as tax revenue.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Notes to Financial Statements March 31, 2008

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

Total fund balances and the net change in fund balances of the Commission's modified accrual reporting differ from net assets and changes in net assets of the full accrual reporting in the statements of net assets and activities. This difference results primarily from the long-term economic focus of full accrual reporting versus the economic focus of modified accrual reporting. The following are reconciliations of fund balance (modified accrual basis) to net assets (full accrual basis) and the net change in fund balance to the net change in net assets:

Total Fund Balance - Modified Accrual Basis	\$ 1,004,384
Amounts reported in the statement of net assets are different because:	
Capital assets are not financial resources and are not reported in the fund	1,123,941
Long-term liabilities are not due and payable in the current period and are not reported in the fund	 (42,644)
Total Net Assets - Full Accrual Basis	\$ 2,085,681
Net Change in Fund Balance - Modified Accrual Basis	\$ 230,525
Amounts reported in the statement of activities are different because:	
The governmental fund reported capital outlay as expenditures; in the statement of activities, these costs are allocated over	
their estimated useful lives as depreciation	110,090
Depreciation is recorded as an expense in the statement of activities but not in the governmental fund	(94,018)
Revenues are recorded in the statement of activities when earned; revenues are not reported in the fund	
until earned and available	(175,651)
The change in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(2,041)
Change in Net Assets of Governmental Activities -	· · · · · ·
Full Accrual Basis	\$ 68,905

Notes to Financial Statements March 31, 2008

Note 3 - Deposits

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Commission has designated one bank for the deposit of its funds. The investment policy adopted by the Commission in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Commission's deposits and investment policies are in accordance with statutory authority.

The Commission's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. At year end, the Commission had \$32,547 in bank deposits (certificates of deposit, checking, and savings accounts) that were fully insured under FDIC.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Commission has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fa	ir Value	Rating	Rating Organization
Sweep account	\$	871,000	N/A	Unrated

Notes to Financial Statements March 31, 2008

Note 4 - Capital Assets

Capital asset activity of the Commission's governmental activities was as follows:

	Ba	lance -					Balance -
Governmental Activities	April	1, 2007	Α	dditions	 eletions	Mai	rch 31, 2008
Capital assets not being depreciated -							
Construction in progress	\$	200,536	\$	-	\$ 200,536	\$	-
Capital assets being depreciated:							
Building and building improvements		197,541		213,637	-		411,178
Land improvements		842,604		69,286	-		911,890
Machinery, equipment, and vehicles		89,252		19,335	-		108,587
Office equipment		89,747		8,368	 		98,115
Subtotal	1	,219,144		310,626	-		1,529,770
Accumulated depreciation:							
Building and building improvements		48,931		19,977	_		68,908
Land improvements		142,906		49,586	-		192,492
Machinery, equipment, and vehicles		66,778		9,111	-		75,889
Office equipment		53,196		15,344	 		68,540
Subtotal		311,811	_	94,018	 		405,829
Net capital assets	\$ I	,107,869	\$	216,608	\$ 200,536	\$	1,123,941

Note 5 - Budget Information

The annual budget is prepared by the Commission and adopted by Bruce and Washington Townships; subsequent amendments are approved by the boards of the above entities. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2008 has not been determined. During the current year, the budget was amended in a legally permissible manner. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget is adopted on a line-item basis for nonprogram expenditures and on an activity level for program-based expenditures; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budget as adopted is included in the required supplemental information. This comparison includes expenditure budget overruns. The additional detail in this statement is shown in greater detail than the budget that was adopted and is used to provide additional analysis for management use only.

Notes to Financial Statements March 31, 2008

Note 5 - Budget Information (Continued)

Excess of Expenditures Over Appropriations - During the year, the Commission incurred expenditures that were significantly in excess of the amounts budgeted as follows:

	A	Amended	
		Budget	 Actual
General Fund:			
Administrative benefits - Health insurance	\$	50,000	\$ 61,277
Community improvement and development:			
Maintenance		232,000	255,709
Community center maintenance		82,500	105,888
Program expenditures:			
Adult		37,000	77,129
Youth		102,400	123,402
Older adult travel		82,000	112,425
Aerobics		35,700	41,506
Aquatics		69,800	81,127
Special events		121,300	162,558
Dance		82,500	119,081
Federal expenditures - CDBG		22,000	29,664

The unfavorable variances were caused by unanticipated expenditures that became necessary during the year.

Note 6 - Defined Contribution Pension Plan

The Commission provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by board resolution, the Commission contributes 15 percent of base salaries. In accordance with these requirements, the Commission contributed \$40,877 during the current year.

Notes to Financial Statements March 31, 2008

Note 7 - Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Commission has purchased commercial insurance for medical claims and workers' compensation and participates in the Michigan Municipal League risk pool for claims relating to property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Required	Supplem	ental Info	ormation	

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue				
Property taxes:				
Washington Township	\$ 881,689	\$ 881,689	\$ 816,879	\$ (64,810)
Bruce Township	374,860	374,860	414,154	39,294
Total property taxes	1,256,549	1,256,549	1,231,033	(25,516)
Program fees:				
Adult:				
Golf	14,000	14,000	11,538	(2,462)
Tennis	5,500	5,500	4,893	(607)
Disabled softball	600	600	-	(600)
Drop-in sports	3,000	3,000	4,444	1,444
Softball leagues	6,000	6,000	7,116	1,116
Walking fitness	1,000	1,000	355	(645)
Women's volleyball	7,000	7,000	12,326	5,326
Yoga	8,500	8,500	21,783	13,283
Flag football	800	800	150	(650)
Adult enrichment revenue	15,000	15,000	15,016	16
Total adult	61,400	61,400	77,621	16,221
Youth:				
Basketball league	34,000	34,000	32,287	(1,713)
Bonanza	15,500	15,500	12,040	(3,460)
TOT programs	6,500	6,500	5,289	(1,211)
TOT sports	9,000	9,000	6,541	(2,459)
Gymnastics	15,000	15,000	12,339	(2,661)
Indoor soccer	1,000	1,000	493	(507)
Floor hockey	1,000	1,000	245	(755)
T-ball	2,200	2,200	1,231	(969)
Tae Kwon Do	22,000	22,000	28,051	6,051
Flag football	5,000	5,000	4,715	(285)
Miscellaneous	6,000	6,000	15,955	9,955
Fencing	4,000	4,000	3,574	(426)
Bowling	3,100	3,100	2,868	(232)
Archery	2,500	2,500	1,976	(524)
Bulldog basketball camp	17,000	17,000	10,624	(6,376)
Cheerleading	2,500	2,500	928	(1,572)
Volleyball	800	800	159	(641)
Enrichment	5,500	5,500	9,679	4,179
Youth disabled	800	800		(800)
Total youth	153,400	153,400	148,994	(4,406)
Older adult travel	90,000	90,000	118,373	28,373

							Varia	nce with
							Amend	ed Budget
							Fav	orable
	Original Budget		Amend	led Budget		Actual	(Unfavorable)	
Revenue (Continued)								
Program fees (Continued):								
Older adult:								
Sports/Fitness	\$	800	\$	800	\$	594	\$	(206)
Miscellaneous programs	•	3,100	•	3,100	•	3,265		Ì 165
Spotlight		3,000		3,000		5,109		2,109
Special events		13,500		13,500		6,113		(7,387)
Art classes		18,500		18,500		16,958		(1,542)
Quilting		5,500		5,500		2,332		(3,168)
Volunteer recognition		2,000		2,000		3,040		Ì,040
Nonchore/Donations		14,000		14,000		24,540		10,540
Dining out		1,000		1,000		1,349		349
Peach festival		5,000		5,000		6,722		1,722
Total older adult		66,400		66,400		70,022		3,622
Aerobics:								
Classes		35,000		35,000		34,472		(528)
Playroom		1,900		1,900		1,265		(635)
Total aerobics		36,900		36,900		35,737		(1,163)
Aquatics:								
Aquafits		2,000		2,000		2,540		540
Community swim		2,000		2,000		1,955		(45)
Fitness swim		1,500		1,500		1,698		198
Rentals		200		200		266		66
Senior swim		1,000		1,000		952		(48)
Swim lessons		54,000		54,000		38,319		(15,681)
Competitive swim		46,500		46,500		44,433		(2,067)
Total aquatics		107,200		107,200		90,163		(17,037)

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue (Continued)				
Program fees (Continued):				
Special events:				
Children's carnival	\$ 5,000	\$ 5,000	\$ 4,800	\$ (200)
Friday fun	700	700	150	(550)
Summer concerts	4,000	4,000	418	(3,582)
Tickets	18,000	18,000	18,195	195
Trips	40,000	40,000	63,142	23,142
Miscellaneous	6,000	6,000	10,117	4,117
Birthday parties	1,500	1,500	200	(1,300)
Jumpin' Jupiter	2,500	2,500	1,830	(670)
Special parties	1,000	1,000	2,306	1,306
Seasonal events	4,700	4,700	6,837	2,137
Peach festival	4,000	4,000	4,600	600
Community center rentals	15,000	15,000	9,310	(5,690)
Washington senior center rentals	9,000	9,000	8,785	(215)
Total special events	111,400	111,400	130,690	19,290
Dance:				
Lessons	50,000	50,000	60,958	10,958
Miscellaneous	18,000	18,000	12,414	(5,586)
Costumes	17,000	17,000	24,591	7,591
Recitals	11,500	11,500	11,590	90
Total dance	96,500	96,500	109,553	13,053
Total program fees	723,200	723,200	781,153	57,953
Other revenue	4,000	4,000	9,362	5,362
Interest	10,000	10,000	23,031	13,031
Federal sources:				
Chore	17,000	17,000	32,402	15,402
CDBG	26,000	26,000	209,558	183,558
Total federal sources	43,000	43,000	241,960	198,960
Total revenue	\$ 2,036,749	\$ 2,036,749	\$ 2,286,539	\$ 249,790

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2008

Variance with Amended Budget **Favorable** Original Budget Amended Budget Actual (Unfavorable) **Expenditures** Administrative salaries: Director \$ 42,035 \$ 42,035 \$ 42,844 \$ (809)Assistant director 35,105 35,105 35,105 2 42,328 42,328 42,326 Accountant Older adult coordinator 39,219 39,219 39,219 Recreation coordinator 38,876 38,876 38,876 Office manager 72,389 72,389 73,135 (746)Overtime 5,000 5,000 2,651 2,349 Total administrative salaries 274,952 274,952 274,156 796 Administrative benefits: 27,000 Employer's FICA 27,000 26,268 732 50,000 Health insurance 50,000 61,277 (11,277)Life insurance 1,500 1,500 1,099 40 I (418) Retirement 40,459 40,459 40,877 Longevity 3,000 3,000 3,000 (379)**MESC** 1,600 1,600 1,979 Workers' compensation 5,400 5,400 4,777 623 10,000 10,000 10,000 Benefit compensation 3,000 2,812 188 3,000 Disability insurance Total administrative benefits 141,959 141,959 142,089 (130)General and administrative: 17,300 17,300 14.463 2.837 Office supplies **Postage** 700 700 3,316 (2,616)Office equipment service 13,000 13.000 14.367 (1,367)Audit 8,400 8,400 7,700 700 Mileage 1,500 1,500 2.295 (795)Liability insurance 11,300 11,300 11,420 (120)Telephone 14,000 14,000 12,552 1,448 Conferences 2,200 2,200 1,962 238 Software support 2,000 2,000 1,650 350 3,500 3,500 3,048 Advertising 452 60,713 53,398 Accounting assistant 60,713 7,315 2,800 2,800 1,798 1,002 Miscellaneous Total general and administrative 137,413 137,413 127,969 9,444

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2008

Variance with

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
	Original budget	Amended budget	Actual	(Offiavorable)
Expenditures (Continued)				
Community improvement and development:				. (22.722)
Maintenance	\$ 232,000	\$ 232,000	\$ 255,709	• • •
Community center maintenance	82,500	82,500	105,888	(23,388)
Capital outlay	250,525	250,525	152,121	98,404
Washington senior center	119,000	119,000	29,727	89,273
Total community improvement and development	684,025	684,025	543,445	140,580
Program expenditures:				
Adult:				
Golf	10,500	10,500	8,343	2,157
Tennis	3,500	3,500	3,785	(285)
Disabled softball	500	500	-	500
Drop-in sports	2,500	2,500	1,418	1,082
Softball leagues	4,500	4,500	5,520	(1,020)
Walking fitness	1,200	1,200	751	449
Women's volleyball	4,000	4,000	4,250	(250)
Miscellaneous	800	800	-	800
Yoga	4,000	4,000	39,826	(35,826)
Flag football	500	500	920	(420)
Enrichment	5,000	5,000	12,316	(7,316)
Total adult	37,000	37,000	77,129	(40,129)
Youth:				
Basketball league	15,500	15,500	22,809	(7,309)
Bonanza	17,500	17,500	17,715	(215)
TOT programs	5,000	5,000	6,980	(1,980)
TOT sports	5,000	5,000	3,900	1,100
Gymnastics	13,000	13,000	10,493	2,507
Indoor soccer	500	500	531	(31)
Floor hockey	500	500	-	500
T-ball	800	800	492	308
Tae Kwon Do	12,000	12,000	20,683	(8,683)
Flag football	3,500	3,500	3,892	(392)
Miscellaneous	3,000	3,000	10,820	(7,820)
Fencing	1,700	1,700	1,109	591
Bowling	2,600	2,600	2,882	(282)
Archery	2,000	2,000	1,999	<u> </u>
Cheerleading	2,000	2,000	893	1,107
Bulldog basketball camp	12,800	12,800	8,470	4,330
Volleyball	600	600	145	455
Enrichment	4,000	4,000	9,589	(5,589)
Youth disabled	400	400		400
Total youth	102,400	102,400	123,402	(21,002)

							iance with
						Ame	nded Budget
						F	avorable
	Orig	ginal Budget	Amend	ded Budget	Actual	(Ur	nfavorable)
Expenditures (Continued)							
Program expenditures (Continued):							
Older adult travel	\$	82,000	\$	82,000	\$ 112,425	\$	(30,425)
Older adult:							
Sports/Fitness		11,900		11,900	11,780		120
Miscellaneous programs		2,100		2,100	2,208		(108)
Spotlight .		2,500		2,500	1,022		1,478
Art classes		3,900		3,900	3,595		305
Secretary		41,000		41,000	40,323		677
Quilting		2,000		2,000	1,695		305
Volunteer recognition		6,000		6,000	5,903		97
Nonchore/Donations		16,000		16,000	8,835		7,165
Dining out		2,000		2,000	2,318		(318)
Peach festival		5,300		5,300	5,343		(43)
Special events		10,500		10,500	10,439		61
Supplies		1,500		1,500	 1,539		(39)
Total older adult		104,700		104,700	95,000		9,700
Aerobics:							
Classes		30,000		30,000	35,596		(5,596)
Playroom		3,800		3,800	4,514		(714)
Miscellaneous		1,900		1,900	 1,396		504
Total aerobics		35,700		35,700	41,506		(5,806)
Aquatics:							
Aquafits		2,700		2,700	4,389		(1,689)
Community swim		1,500		1,500	1,532		(32)
Competitive swim		26,500		26,500	41,343		(14,843)
Fitness swim		1,800		1,800	2,025		(225)
Rentals		100		100	86		14
Senior swim		2,200		2,200	3,035		(835)
Swim lessons		22,500		22,500	18,994		3,506
Coordinator		12,000		12,000	9,379		2,621
Miscellaneous		500		500	 344		156
Total aquatics		69,800		69,800	81,127		(11,327)

	Origin	al Budgot	Amon	ded Budget	Actual	Amer Fa	ance with ded Budget avorable favorable)
	Origina	ai buuget	Amen	ued Budget	 ACLUAI	(011	iavoi abiej
Expenditures (Continued)							
Program expenditures (Continued):							
Special events:							
Children's carnival	\$	6,000	\$	6,000	\$ 13,330	\$	(7,330)
Friday fun		400		400	71		329
Jumpin' Jupiter		2,400		2,400	1,284		1,116
Peach festival		6,200		6,200	9,400		(3,200)
Seasonal events		10,800		10,800	19,390		(8,590)
Summer concerts		7,000		7,000	7,446		(446)
Tickets		18,500		18,500	17,875		625
Trips		45,000		45,000	67,827		(22,827)
Special parties		600		600	303		297
Birthday parties		1,400		1,400	214		1,186
Community center rentals		5,000		5,000	3,112		1,888
Washington senior center rentals		3,000		3,000	3,327		(327)
Supplies		1,000		1,000	45		`955 [´]
Coordinator		8,000		8,000	3,511		4,489
Miscellaneous		6,000		6,000	 15,423		(9,423)
Total special events		121,300		121,300	162,558		(41,258)
Dance:							
Costumes		17,000		17,000	23,028		(6,028)
Dance lessons		40,000		40,000	50,608		(10,608)
Recitals		9,500		9,500	6,995		2,505
Miscellaneous		16,000		16,000	 38,450		(22,450)
Total dance		82,500		82,500	119,081		(36,581)
Program operating:							
Program clerk		35,500		35,500	30,588		4,912
Brochures		17,000		17,000	6,049		10,951
MESC		10,000		10,000	5,545		4,455
Employers' FICA		21,000		21,000	24,482		(3,482)
Credit card fees		11,000		11,000	13,019		(2,019)
Miscellaneous		25,500		25,500	 25,457		43
Total program operating		120,000		120,000	 105,140		14,860
Total program expenditures		755,400		755,400	917,368		(161,968)

							Α	Variance with mended Budget Favorable
		Oı	riginal Budget	Am	ended Budget	 Actual	_	(Unfavorable)
Expenditures	s (Continued)							
Federal exp	penditures:							
Chore		\$	21,000	\$	21,000	\$ 21,323	\$	(323)
CDBG			22,000		22,000	 29,664	_	(7,664)
	Total federal expenditures		43,000		43,000	 50,987	_	(7,987)
	Total expenditures	\$	2,036,749	\$	2,036,749	\$ 2,056,014	\$	(19,265)

Report to the Commissions March 31, 2008



Plante & Moran, PLLC

Suite 300 19176 Hall Road Clinton Township, MI 48038 Tel: 586.416.4900 Fax: 586.416.4901 plantemoran.com

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

We have recently completed our audit of the basic financial statements of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation (collectively, the "Commissions") for the year ended March 31, 2008. In addition to our audit report, we are providing the following report on internal control, results of the audits, and legislative informational comments which impact the Commissions:

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Report on Internal Control	1-2
Results of the Audits	3-6
Informational/Legislative Comments	7-8

We are grateful for the opportunity to be of service to Commissions. Should you have any questions regarding the comments in this report, please do not hesitate to call.

Plante & Moran, PLLC

July 28, 2008





Plante & Moran, PLLC

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Report on Internal Control

July 28, 2008

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships Senior
Transportation Thru Advanced Reservation

Dear Commissioners:

Beginning with last year's audit, national auditing standards call for auditors to communicate matters to the governing bodies that may be useful in their oversight of the Commissions' financial management. Specifically, they require us to report internal control issues to the governing bodies that may be relatively minor, in order to allow them to evaluate their significance and make any changes they may deem appropriate. In general, these are items that would have been discussed orally with management in the past. The purpose of these new standards is to allow the governing bodies an opportunity to discuss issues when they are relatively minor, rather than waiting until they become more serious problems. We hope this report on internal control will be helpful to you, and we look forward to being able to discuss any questions you may have concerning these issues.

In planning and performing our audit of the financial statements of the Commissions as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Commissions' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commissions' internal control. Accordingly, we do not express an opinion on the effectiveness of the Commissions' internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the Commissioners, and others within the organizations and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Mark R. Hus

Mark R. Hurst



Plante & Moran, PLLC

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Results of the Audit

July 28, 2008

To the Commissions
Romeo, Washington, Bruce Parks
and Recreation Commission
Washington and Bruce Townships
Senior Transportation Thru Advanced Reservation

We have audited the financial statements of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation for the year ended March 31, 2008 and have issued our report thereon dated July 28, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letters dated February 29, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. We are responsible for planning and performing the audits to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audits, we considered the internal control of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation. Our consideration of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters and our audits of the financial statements do not relieve you or management of your responsibilities.



We also are obligated to communicate certain matters related to our audits to those responsible for the governance of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation, including certain instances of error or fraud and significant deficiencies in internal control that we identify during our audits. In certain situations, *Government Auditing Standards* require disclosure of illegal acts to applicable government agencies. If such illegal acts were detected during our audits, we would be required to make disclosures regarding these acts to applicable government agencies. No such disclosures were required.

Planned Scope and Timing of the Audit

We performed the audits according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 29, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008.

We noted no transactions entered into by the organizations during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audits.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audits, other than those that are trivial, and communicate them to the appropriate level of management. No corrected or uncorrected misstatements were identified.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's reports. We are pleased to report that no such disagreements arose during the course of our audits.

Management's Representations

We have requested certain representations from management that are included in the management representation letter dated July 28, 2008.

Management's Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the organizations' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

In the normal course of our professional association with the organizations, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the organizations, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the organizations' auditors.

This information is intended solely for the use of the Commissions and management of Romeo, Washington, Bruce Parks and Recreation Commission and Washington and Bruce Townships Senior Transportation Thru Advanced Reservation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Mark R. Hus

Mark R. Hurst



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Informational/Legislative Comments

Property Tax Revenue

Property taxes have consistently been one of Commissions' largest revenue sources. With the continuing downturn in the real estate market, the Legislature is picking up some bills that were proposed back in 2007 that they hope will help spur sales. This includes potential legislation that would adjust the mechanics of the general property tax act. The nature of the legislation has ranged from the suspension of the "pop-up" or increase in taxable value that occurs when a property sells or a "super cap" on taxable value that prohibits an increase in taxable value when market values are declining. The outcome of this legislation could also have a significant impact on the Commissions. We will keep you informed as significant events unfold.

In addition, the Commissions need to be aware of the potential financial impact of reduced housing market values. Property tax assessments were finalized in May 2008. Declines in market values (state equalized value) may threaten the inflationary growth in taxable value that communities had been experiencing following the passage of Proposal A. It is important to understand the connection between market value declines and taxable value declines. On the one hand, a reduction in SEV (state equalized value) will not immediately result in an equivalent reduction in TV (taxable value, which is what the tax bills are now based on). The reason for this is that TVs were held down in those years since 1994 when property values increased faster than inflation; now that they are increasing less than inflation (or decreasing), Proposal A allows the TVs to continue increasing at the inflationary rate, up until the point that TV meets SEV. While some properties have already met this ceiling, the majority have not, and for this reason many communities expect 2008 TV in total to increase or decrease only slightly. However, it is important to understand that if the market downturn continues, more and more properties will hit this ceiling where TV meets SEV, and the impact will be more drastic each year we go forward. We caution the Commissions to keep this in mind as they begin their 2009 budget deliberations.

Information Technology

As required by the new auditing standards, reviews of the Commissions' IT systems were performed. One item noted during the reviews was that there is no data change management system in place. We recommend that one be established to document any changes in access to the general ledger system. The data change form should be maintained in the appropriate employee's personnel file.



We would like to thank the Commissioners for the opportunity to serve as auditors for Commissions. We would also like to express our appreciation for the courtesy and cooperation extended to us by the administration during the audits. If you would like to discuss any of these matters, or would like assistance in their implementation, please contact us.

Very truly yours,

Plante & Moran, PLLC

Mark R. Hus

Panela J. Hill

Mark R. Hurst

Pamela L. Hill